

CITY OF CINCINNATI

ALL FUNDS BIENNIAL BUDGET

CITY MANAGER'S BUDGET MESSAGE

2003
2004



OF THE PEOPLE, BY THE PEOPLE,
FOR THE PEOPLE
YOUR CITY DOLLARS AT WORK

City of Cincinnati

All Funds Biennial Budget



**City Manager's Budget Message
2003/2004**

Mayor

Charlie Luken

City Council

Paul Booth
Minette Cooper
John Cranley
David Crowley
Pat DeWine
Chris Monzel
David Pepper
Alicia Reece
James R. Tarbell

City Administration

Valerie A. Lemmie, City Manager
Timothy H. Riordan, Deputy City Manager
Rashad Young, Assistant City Manager
William E. Moller, Finance Director
Brian K. Ashford, Budget Manager

City of Cincinnati



November 25, 2002

Mayor Charlie Luken:

CITY MANAGER'S BUDGET MESSAGE

INTRODUCTION

I am pleased to present my recommended 2003/2004 All Funds Biennial Budget for the City of Cincinnati. It includes the Operating Budget, Capital Budget and the Consolidated Plan Budget. As required by charter, all funds are balanced for each year of the biennium.

The past year has been marked by tremendous change in our City. First, the new governance structure approved by the voters took effect granting the Mayor more executive authority. I was hired in April and other key staff joined our team later in the year, including both the Assistant City Manager and the City Solicitor.

In May we signed historic agreements with the United States Department of Justice and the Collaborative to improve police community relations using meaningful and substantive solutions. We have changed how we recruit and train officers and how officers handle themselves when interacting with the public. Importantly, the expanded Community Oriented Policing is having a positive effect on crime reduction.

In July you appointed me co-chair of a committee of business leaders to offer solutions on how the City could improve its development functions and to demonstrate that we are "open for business." The progress thus far has been dramatic and we are looking forward to the final recommendations.

In September, final plans for a \$160 million convention center expansion project were announced, including a commitment to a 30% contracting goal for small and minority business enterprises. The Cinergy Center will be a crucial piece of our economic revitalization.

Despite these and other promising signals, some citizens and customers still find the City bureaucratic, unresponsive, and ineffective in areas where traditionally we were congratulated and applauded. Questions have been raised about our overall organizational effectiveness in meeting the changing needs and priorities of our citizens. There is a terrific need to make our neighborhoods cleaner, safer, and invested.

This budget addresses these concerns.

The time has come for a fundamental restructuring and realignment of city government to be consistent with the vision, values, and mission of the Mayor and City Council.

Our goal in 2003 is to create a government that works better and costs less. We will create a city organization that is more responsive to customers and achieves higher performance. We will reduce

bureaucratic red tape and streamline processes that impact our customers. Our focus will be outcomes, not the inputs and processes. To put it plainly, you will see results.

Our employees on the frontlines will be empowered to make decisions and exercise leadership in new ways. The results will be better service and innovative solutions to the problems that face Cincinnati in 2003.

More changes are on the horizon, especially in how we prioritize our city services and in how they are managed and delivered. We will deliver the results that the Mayor and the City Council expect from a professionally managed organization.

As Cincinnati continues its journey during 2003-2004, our staff will embark upon a thorough review of our organizational systems, strategies and structures. Each department will have a business plan and each director will have a performance contract. New and meaningful outcome-based performance standards will be established for each department.

I am recommending new initiatives and programs that will more effectively target and leverage city resources to stimulate private investment in our neighborhoods and in our downtown. By stabilizing and enhancing our tax base through the creation of new private sector jobs and by promoting the arts and our cultural heritage to attract tourists and residents to our downtown, Cincinnati will begin growing and thriving again.

I have two related themes for this budget. First, "Of the People, By the People, and For the People" is a reminder that this government belongs to the citizens of Cincinnati and that we serve and protect them.

Second, "Your Tax Dollars at Work" speaks to a renewed emphasis on basic City services as reflected in my recommended budget.

The citizens of Cincinnati should know that you and I have worked on this budget in a cooperative manner, and it is a reflection of the philosophy of urban governance that you and I share. I am appreciative of your commitment to this Administration, and of your willingness to collaborate on the details of the budget. It was a dynamic process that has resulted in these documents.

2003 will be a great year for Cincinnati and for the City Administration. Thank you for your support in the past and in the future.

2003/2004 ALL FUNDS BUDGET

My recommended All Funds Budget is \$997.2 million in 2003 and \$1 billion in 2004. The year-to-year 2003 increase is 0.2% and the year-to-year 2004 increase is 1.2%. The General Fund recommended budget for 2003 is a 0.5% decrease from 2002 and reflects expenditure controls. The General Capital recommended budget for 2003 increases by 33.7% to reflect increased neighborhood investment.

ALL FUNDS BUDGET

	2001 Approved Budget	2002 Approved Budget	2003 Recom. Budget	Change From 2002	2004 Recom. Budget	Change From 2003
Operating Budget						
General Fund	\$308.1	\$314.0	\$312.5	(0.5%)	\$319.2	2.1%
Restricted Funds	\$377.2	\$394.9	\$405.7	2.7%	\$408.9	0.8%
Subtotal	\$685.3	\$708.9	\$718.2	1.3%	\$728.1	1.4%
Capital Budget						
General Capital	\$77.9	\$78.4	\$104.8	33.7%	\$92.8	(11.5%)
Restricted Funds	\$146.1	\$180.8	\$146.2	(19.1%)	\$161.5	10.5%
Subtotal	\$224.0	\$259.2	\$251.0	(3.2%)	\$254.3	1.3%
Consolidated Plan Budget	\$28.2	\$26.7	\$28.0	4.9%	\$26.4	(5.7%)
Total	\$937.5	\$994.8	\$997.2	0.2%	\$1,008.8	1.2%

NEIGHBORHOOD INVESTMENT

The recommended Capital Budget reflects the most significant neighborhood investment in many years. The highlights include the following:

Capital Budget

1. **\$55.0 Million More for Neighborhoods** - The Neighborhood Investment Program funded from Anthem demutualization proceeds generates significant increases in the recommended budget for development in Cincinnati neighborhoods. The following table is a complete listing of recommended projects to be supported with new Neighborhood Investment Program resources in the biennium.

PROJECT	NEIGHBORHOOD INVESTMENT PROGRAM		
	2003	2004	TOTAL
Recreation Facilities Improvements	\$ 8.5	\$ 5.3	13.8
Citirama Market Rate Housing	1.0	1.0	2.0
Downtown Market Rate Housing Development	0.5	0.5	1.0
Neighborhood Market Rate Housing	2.0	2.0	4.0
Kennedy Connector (design)	0.3	0.0	0.3
Capital Arts Funding	1.3	1.3	2.6
Over-The-Rhine Plan Implementation	2.0	2.0	4.0
Neighborhood Investment Reserve	14.6	12.7	27.3
TOTAL:	\$30.2	\$24.8	\$55.0

In addition to the \$55.0 million of Anthem demutualization proceeds included in the General Capital Budget for the Neighborhood Investment Program, \$30.0 million is also recommended in the Consolidated Plan Budget in the form of Float Loans and HUD 108 Loans. The total

recommended funding for the Neighborhood Investment Program is \$85.0 million, as the following table illustrates:

(In \$ Millions)	
NEIGHBORHOOD INVESTMENT PROGRAM - TOTAL FUNDING	
Anthem Demutualization Proceeds	\$55.0
CDBG Float Loan	20.0
CDBG 108 Loan	<u>10.0</u>
TOTAL:	\$85.0

2. **Street Rehabilitation: \$28.3 Million for 200 Lane Miles** - The recommended General Capital Budget includes \$15.7 million in 2003 and \$12.6 million in 2004 for the Street Rehabilitation Program. This investment meets the City Council directive to rehabilitate at least 200 neighborhood lane miles in the biennium. A total of \$90.5 million is included in the 2003-2008 General Capital plan for this initiative;
3. **New Initiatives for Improvements in Over-The-Rhine: New \$7.0 Million Multi-Purpose Facility; \$4.0 Million for Over-The-Rhine Plan Implementation** - In an effort to upgrade services and City facilities in Over-The-Rhine in the biennium, a new \$7.0 million multi-purpose facility is proposed to include a firehouse, police sub-station, community meeting space, and other functions. Also recommended in the biennium is \$4.0 million for implementation of the Over-The-Rhine Plan through the Neighborhood Investment Program, which includes housing, infrastructure improvements, and economic development investment;
4. **Needed Renovation for Recreation Facilities: \$21.1 Million** - Significant increases for renovations to Recreation facilities are recommended, totaling \$21.1 million in the biennium and \$34.8 million over the six-year General Capital plan. Funds will be used for renovation and repair of Recreation's 53 buildings (including 34 Recreation Centers and excluding golf buildings, which are maintained through a separate enterprise fund), 41 pools, 108 playgrounds, and 400 athletic facilities (including athletic fields and tennis courts). Improvements of all types would be performed, such as roof replacements, door/window replacements, upgrades to heating/air conditioning systems, replacement of unsafe equipment, resurfacing courts, and installation of safety surfaces. Neighborhood Investment Program funds for this project total \$8.5 million in 2003 and \$5.3 million in 2004;
5. **New Mt. Washington Recreation Center** - Funding for replacement of the Mt. Washington Recreation Center is included in the recommended biennial budget. In 2003, \$750,000 is included for site preparation work and \$4.7 million is included in 2004 to complete construction on the center;
6. **New Replacement Fire Stations: \$3.6 Million** - The General Capital Budget recommendation includes \$1.8 million in both 2003 and 2004 for the construction of one new fire station in each year. Over the six-year plan, \$21.8 million is included for this project, which will replace existing fire stations. We will also be reviewing the repositioning of fire stations for better service equity. This review will include participation by the Firefighters' union and communities;
7. **Market Rate Housing: \$11.0 Million** - The recommendation for the development of market rate housing in Cincinnati totals \$5.0 million and \$6.0 million in 2003 and 2004, respectively, including \$7.0 million in Neighborhood Investment Program funds. Over the six-year General Capital plan,

\$25.6 million is recommended for this initiative. These funds will be used for site improvements and infrastructure development at construction locations;

8. **Neighborhood Investment Reserve: \$27.3 Million** - The recommended budget includes a Neighborhood Investment Reserve project as part of the Neighborhood Investment Program dedicated to a variety of development initiatives in Cincinnati neighborhoods including housing, economic development, and infrastructure improvements. This project represents the City's continued commitment to neighborhoods and will allow the Mayor and City Council to respond to neighborhood concerns as they arise over the next two years.
9. **Neighborhood Business District Improvements: \$1.6 Million** - The recommended General Capital Budget includes \$1.6 million in the biennium to support Neighborhood Business District improvements. This recommendation will allow for the completion of existing projects and reduce the current project backlog. The Community Development Block Grant (CDBG) budget includes \$1.0 million in both 2003 and 2004 as well; and
10. **Kirby Road Improvements** - New storm sewers and street improvements on Kirby Road are included in the recommended budget, totaling \$350,000 in the Stormwater Management Utility Restricted Fund and \$1.0 million in General Capital resources which are managed by the Department of Transportation and Engineering. The design and engineering phase of this project is underway and construction is scheduled to begin in late 2003.

Consolidated Plan Budget

The recommended Consolidated Plan Budget which includes the Community Development Block Grant and other federal programs, reflects a new focus on funding larger, high impact projects that will help transform neighborhoods. The highlights include the following:

1. **Neighborhood Revitalization Strategy Areas and City Redevelopment Focus Districts** – Bold new community development projects will be undertaken in the two existing Neighborhood Revitalization Strategy Areas (NRSA's), the West End and Over-the-Rhine, and in other neighborhoods that are eligible for NRSA designation. The designation allows for flexibility in using federal resources to create jobs; stabilize and rebuild the neighborhood business base; and upgrade infrastructure including streets, curbs, sidewalks and street lighting. We will be using a Request for Proposals process to leverage the City's investment. New and existing programs funded in the Consolidated Plan Budget, along with the coordinated efforts of several city departments and other outside funding sources, will produce a visible, focused and annually evaluated impact on NRSA areas;
2. An additional \$100,000 is recommended for Concentrated Code Enforcement and an additional \$123,700 is recommended for Litter Control in targeted neighborhoods, dramatically increasing CDBG funding for both efforts; and
3. **Additional Development Resources** – Beginning in 2003, the City will increase funding for CDBG Float Loans and HUD 108 Loans to provide development gap financing for targeted projects in neighborhood strategy areas. CDBG Float Loans are short term (up to 30 months) construction loans with low interest rates that are secured by an irrevocable letter of credit. HUD 108 Loans are federally guaranteed loans, borrowed by the City for subsequent lending to developers. The City's future CDBG allocations are pledged as collateral, in the event of default by the developer. The repayment term of a HUD 108 Loan is from one to twenty years.

Operating Budget

- **Basic City Services**

The recommended Operating Budget focuses on basic City services. Citizens can be assured that safe and clean neighborhoods are a priority. Some of the continued and enhanced services are as follows:

1. The City's Health Clinics and other primary health care programs are fully funded;
2. The plan to add 75 police officers is on track. Forty-five police officers will be added in 2003 and 15 more will be added in 2004. Total sworn strength will be 1,060 in 2004. In addition, the Police Department received a grant of approximately \$275,000 for police visibility overtime that will augment the \$500,000 already in the budget for this purpose;
3. Additional funds are in the budget for a Fire Lieutenant to serve as the City's Weapons of Mass Destruction Coordinator and the Fire Department will continue its efforts to secure funds for enhanced City security;
4. Weekly solid waste collection is funded at a continuation level in the biennium (see number 4 in the next section). Approximately \$220,000 is included for an enhanced litter pick-up program at 40 major intersections in the City. In addition to the basic level of service, these intersections will have litter pick-up an additional two times per month;
5. All parks and recreation facilities will remain open and operating at continuation levels;
6. Building code enforcement will continue and is enhanced through an additional \$100,000 in Community Development Block Grant funds. The Housing Court that will make building code violators more accountable will be operational in the biennium;
7. The Human Services Policy and the Arts Policy will be maintained in the biennium with human services receiving 1.5% of General Fund resources and the arts programs receiving 0.14% of General Fund resources;
8. The commitment of \$5 million for 20 years to the Cincinnati Public Schools (CPS) for facility improvements will continue in the biennium. We will continue to work with CPS to align our budgeted capital improvements with the CPS facilities plan where possible; and
9. Resources are budgeted to continue to implement 200 lane miles of street rehabilitation in the biennium.

- **Organization Changes And Budget Reductions**

I am proposing several organization changes to increase efficiency. A report detailing the changes is being provided separately and is included in an appendix to the Operating Budget. In addition, a total of 160 non-sworn positions are eliminated or transferred from the General Fund in 2003 (45 police officer positions are added in the General Fund). Of the eliminated positions in the General Fund, 39.5 are filled and those employees will be displaced. In the Restricted Funds, 8.0 positions are filled and those employees will also be displaced. The displacements will occur in accordance with Civil Service Rules and Regulations. Any layoffs would be effective March 1, 2002. The most significant changes are as follows:

1. Transfer of the Street Sweeping program to the Stormwater Management Fund and implementation of managed competition for this function. Street sweeping reduces the debris which would otherwise enter the stormwater system. The transfer results in approximately a \$1.1 million savings in the General Fund;
2. The Health Department will transfer 19.5 FTE and some primary health functions to the Health Services Fund. The savings to the General Fund will be approximately \$1.5 million;
3. Elimination of the City Planning Department and programs that are not required by law. Mandatory zoning functions (Land Use Management) and Historic Conservation will be transferred to the Community Development Department. Community plans would no longer be routinely funded. Approximately \$704,320 is saved in the General Fund and 8.5 FTE are eliminated;
4. Suspension of the Yard Waste and Recycling programs for 2004 unless new resources are identified. These items would be collected in the regular trash pick-ups. For 2003, the Yard Waste and Recycling programs are funded from one-time resources. Approximately \$2 million is saved in the General Fund;
5. Elimination of the Office of Environmental Management. The Employee Safety program will be transferred to the Department of Human Resources, the remaining environmental compliance/planning including brownfields will be transferred to the Health Department, and the air quality program would be eliminated with the air monitoring function continuing as a countywide function. Title X of the municipal code will need to be changed. Approximately \$294,000 is saved in the General Fund and 4.0 FTE are eliminated;
6. Elimination of the Office of Contract Compliance and Administrative Hearings. The Contract Compliance program will be transferred to the Finance Department, the Equal Employment Opportunity program will be transferred to the Human Resources Department, and the Administrative Hearings program will be transferred to the Law Department. Approximately \$398,500 will be saved in the General Fund and 5.0 FTE will be eliminated;
7. The transfer of the Internal Audit function to the Finance Department. Approximately \$75,400 is saved in the General Fund and 1.0 FTE is eliminated;
8. The General Services Department will be eliminated. The divisions including the Convention Center, Fleet Services, and the Parking System will be managed by an Assistant City Manager. The City Manager's Office also will assume responsibility for major economic development projects. The Regional Computer Center will become a department and the City Facilities division will be transferred to the Public Services Department;
9. The Employment & Training function will be transferred to the Community Development Department and renamed the Workforce Development Division. Approximately \$10,350 is saved;
10. Public information functions in all departments will be eliminated and the function centralized in the City Manager's Office. Approximately \$350,000 will be saved in the General Fund and 5.0 FTE will be eliminated;
11. Beginning in 2004, the Nature Education Program in the Parks Department is eliminated. Although this program is popular, the City can no longer afford to pay for it. It is recommended that with a year lead-time, alternative funding can be secured;

12. Beginning in 2004, the Health Education Program in the Health Department is eliminated so the more basic services can continue. It is recommended that with a year lead-time, alternative funding can be secured;
13. Citywide, salary increases above 3%, longevity pay, and tuition reimbursement are suspended for non-represented employees (including executive staff) in 2003 to balance the budget. Approximately \$712,000 is saved in the General Fund. We will continue to be challenged by high annual health care cost increases in the next few years. City employees can be expected to pick up a larger share of the increase;
14. Training and non-local travel budgets are reduced in the General Fund for a savings of approximately \$600,200 in both years of the biennium;
15. The Neighborhood Support Program is reduced by \$260,000 and each neighborhood will receive \$5,000 annually; and
16. A managed competition report with recommendations is being submitted separately and is included in an appendix in the Operating Budget.

- **General Fund Forecast**

As noted, the General Fund is balanced in both years of the biennium; however there are reasons to be cautious. It is noteworthy that the 2003 budget is balanced only through the use of prior year carryover and the 2004 budget is balanced only by achieving additional savings in 2003. The Operating Surplus in 2003 is only \$1.7 million and the Operating Surplus in 2004 is only \$1.0 million. In 2003 and 2004 the challenge is to save at least approximately \$3.0 and \$3.1 million, respectively.

In addition to the need for more savings to balance the budget, the City's General Fund reserve amount is low in comparison to the generally accepted public finance standard. A Government Finance Officers Association recommended standard is no less than 5% to 15% of General Fund revenue. The carryover amounts of \$4.7 million in 2003 and \$4.1 million in 2004, plus the estimated balance in the City's reserve, places the City below the mid-point of the recommended standard at approximately 8%. The City's current financial condition does not permit transfers from the General Fund to support one-time capital projects as has been done in the past unless drastic reductions are made in the General Fund operating budget or revenue far exceeds the estimates in 2003 and 2004.

GENERAL FUND FORECAST

	2003	2004	2005	2006	2007	2008
	Budget		Forecast		Forecast	
Revenue	\$307,615	\$315,522	\$325,477	\$339,544	\$351,879	\$363,520
Prior Year Carryover	6,556	4,690	4,136	4,911	9,650	17,536
Resources	<u>\$314,171</u>	<u>\$320,212</u>	<u>\$329,613</u>	<u>\$344,455</u>	<u>\$361,529</u>	<u>\$381,056</u>
Operating Expenditures	\$312,504	\$319,158	\$329,464	\$339,710	\$349,045	\$358,446
Capital Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures and Transfers	<u>\$312,504</u>	<u>\$319,158</u>	<u>\$329,464</u>	<u>\$339,710</u>	<u>\$349,045</u>	<u>\$358,446</u>
Operating Surplus	\$1,667	\$1,054	\$149	\$4,745	\$12,484	\$22,610
Expenditure Savings/ Cancelled Encumbrances	<u>\$3,023</u>	<u>\$3,082</u>	<u>\$4,762</u>	<u>\$4,905</u>	<u>\$5,052</u>	<u>\$5,204</u>
Carryover	\$4,690	\$4,136	\$4,911	\$9,650	\$17,536	\$27,814

MAYOR AND CITY COUNCIL POLICIES

I have made every effort to develop the budget in the context of adopted policies, including the City Council Policy Budget Resolution. The following provides a review of these items:

1. A reduction of \$5.4 million in General Fund department budgets (exclusive of non-departmental accounts) in 2003 compared to the 2002 budget;
2. A reduction in the operating property tax millage from 5.4 mills to 5.27 mills in 2003;
3. A net reduction in 2003 of 115.0 FTE in the General Fund and 79.8 FTE in All Funds compared to the 2002 budget. There are 39.5 filled positions and 70.2 vacant positions eliminated in the General Fund, with the remaining net positions transferred to other funds. In Restricted Funds, there are 8 filled positions eliminated and 43 vacant positions eliminated. The displacement of Civil Service employees from eliminated positions will be in accordance with Civil Service Rules and Regulations;
4. Full funding for the Human Services and Arts Policy programs;
5. The addition of 60 police officers in the biennium with the goal of an additional 75 police officers by the end of 2005 based on recruit class capacity;
6. Funding for Cincinnati Public School facilities in fulfillment of the 20-year commitment of \$5 million per year through 2019;
7. Continuation funding of "quality of life" services such as health clinics, recreation centers, trash pick-up, street cleaning, police protection, fire protection and emergency medical, and other basic services;
8. Increased revenue for insurance billing for fire company response to auto accidents;
9. Because of the City's difficult financial condition, no transfer from the General Fund to the Capital Budget is made. However, the \$27.3 million in the Neighborhood Investment Reserve (unallocated portion of the \$55 million Anthem demutualization proceeds) may be considered to address this initiative as well as the reprioritization of City projects to complement the emerging school plan;
10. Arts capital funding is addressed through a combination of current and new projects. A total of \$700,000 in both 2003 and 2004 is recommended in the General Capital Budget for capital improvements at Music Hall, the Art Museum, and the Museum Center. Additionally, \$1.3 million for Capital Arts Funding is included in both years of the Neighborhood Investment Program Budget (Anthem demutualization proceeds). Funding will be used for capital improvements for arts related facilities downtown and in neighborhoods; and
11. Although no funds are specifically identified for market rate housing loans, \$11.0 million is recommended in the biennium for market rate housing. In the biennium, the recommended budget includes a \$5.0 million for the "Neighborhood Market Rate Housing" project, \$2.0 million for "Citirama," \$1.0 million for the "Downtown Housing Development" project, and \$3.0 million in Special Housing Permanent Improvement Funds. In addition, the Neighborhood Investment Reserve of \$27.3 million (unallocated portion of the \$55 million Anthem demutualization proceeds) may be used for housing loans.

TAX AND FEE CHANGES

1. The property tax rate is set at 5.27 mills in 2003 down from 5.4 mills in 2002 which will generate \$736,000 less in property tax revenue. Offsetting this decrease is my recommendation to tax the income of visiting athletes and entertainers which is estimated to be a \$561,000 increase in General Fund revenue. No other tax increases are included.
2. Expenditure controls in the Water Works budget will accommodate a 2% rate increase instead of the planned 3% increase.
3. Expenditure controls in the Metropolitan Sewer District will provide for a 2% increase over the 2002 estimated actual expenditure amount. Final budget approval and rate setting is the responsibility of the Hamilton County Board of Commissioners.
4. A 5% parking facilities rate increase is included in the 2004 budget. This conforms with the plan to have 5% increases every three years to maintain and expand the system.

STAFFING PLAN

The City will reduce the overall number of funded positions in 2003 and in 2004. The recommended total number of full-time equivalents (FTE) is recommended to decline from 6,559.9 budgeted in 2002 to 6,480.1 in 2003, which is a reduction of 79.8 FTE. There is a reduction of 115.0 FTE in the General Fund and a 35.2 FTE increase in the Restricted Funds mainly due to the transfer of some General Fund functions to Restricted Funds. In 2004, there are further reductions of 4.2 FTE in overall. There is a 84.0 FTE reduction over the biennium in all funds.

The recommended change in non-sworn FTE is more dramatic. From 2002 to 2003 the number of FTE declines by 124.8 in all funds. The decline from 2002 to 2003 in the General Fund is 160.0 FTE. From 2003 to 2004 the number of non-sworn FTE declines by 19.2 in all funds. The decline from 2003 to 2004 in the General Fund is 14.2 non-sworn FTE.

In the Fire Department, sworn FTE remains at 787 in both years of the biennium. In the Police Department, sworn FTE increases by 45 in 2003 from 2002 and by 15 in 2004 from 2003.

The Departmental Budgets section of the Operating Budget provides a detailed description of each recommended 2003/2004 FTE change by department. The following table provides a summary of the recommended staffing plan for 2003/2004 for all City staff and for sworn staff.

2003/2004 City Staffing Plan

(in Full Time Equivalents, FTE)	2002 Approved Budget	2003 Recommended Budget	Change From 2002	2004 Recommended Budget	Change From 2003
General Fund	3,943.7	3,828.7	(115.0)	3,829.5	0.8
Restricted Funds	2,616.2	2,651.4	35.2	2,646.4	(5.0)
Total City Staffing	6,559.9	6,480.1	(79.8)	6,475.9	(4.2)

2003/2004 Sworn Authorized Strength Staffing Summary

(in Full Time Equivalents, FTE)	2002 Approved Budget	2003 Recommended Budget	Change From 2002	2004 Recommended Budget	Change From 2003
Police Sworn	1,000.0	1,045.0	45.0	1,060.0	15.0
Fire Sworn	<u>787.0</u>	<u>787.0</u>	<u>0.0</u>	<u>787.0</u>	<u>0.0</u>
Total Sworn	1,787.0	1,832.0	45.0	1,847.0	15.0

Police Sworn Positions. The recommended 2003/2004 Biennial Budget includes the authorized strength as established by the City Council.

Fire Sworn Positions. The recommended 2003/2004 Biennial Budget includes the authorized strength as established by the City Council.

TRANSMITTALS

Four budget documents are submitted for your review:

1. This City Manager's Budget Message;
2. The Operating Budget which supports basic city services;
3. The Capital Budget which provides for asset maintenance and investment;
4. The Consolidated Plan Budget that includes federal funding for the Community Development Block Grant, HOME Investment Partnerships Program, Emergency Shelter Grant, and the Housing Opportunities for Persons with AIDS.

CONCLUSION:

This All Fund Biennial Budget provides an opportunity for the Mayor and City Council to maintain basic City services while making a significant investment in neighborhoods. I believe that we are poised to make substantial progress in making our City government more efficient and enhance the quality of our neighborhoods.

A special thanks goes to the staff of the Finance Department who have provided excellent analysis and advice in developing my recommended budget. They are deserving of your commendation for their exceptional work and dedication.

Respectfully submitted,


Valerie A. Lemmie
City Manager

All Funds Operating Budget

Fund	2001 Approved	2002 Approved	2003 Recommended	2004 Recommended
050 General Fund	\$308,075,640	\$313,979,330	\$312,503,740	\$319,158,090
APPROPRIATED RESTRICTED FUNDS				
101 Water Works	\$82,165,670	\$85,764,430	\$92,612,190	\$96,020,420
102 Parking Facilities	6,526,020	6,568,300	7,851,650	7,936,730
103 Convention Center	5,424,320	5,401,490	4,890,790	4,961,500
104 General Aviation	1,386,380	1,410,340	1,453,830	1,477,350
105 Municipal Golf	6,176,520	6,327,510	6,492,310	6,480,100
107 Stormwater Management	6,023,700	6,301,150	7,219,230	7,238,670
151 Bond Retirement	51,842,360	59,740,130	65,917,000	60,520,000
301 Street Construction	8,033,440	8,352,200	7,905,110	7,888,940
302 Income Tax-Infrastructure	13,671,710	13,531,840	13,076,230	12,638,790
303 Parking Meter	731,240	769,870	2,089,440	1,039,340
304 Community Dev Block Grant	3,039,630	2,981,370	3,125,180	3,185,190
306 Motor Vehicle License Tax	2,849,860	2,823,910	2,969,900	2,650,620
318 Sawyer Point	1,128,920	1,135,610	1,177,360	1,180,500
323 Recreation Special Activities	2,956,350	3,149,830	3,249,780	3,252,410
395 Health Services	2,998,650	3,096,480	4,643,410	4,266,920
424 Cable Communications	1,713,830	1,590,070	1,620,720	1,663,790
701 Metropolitan Sewer District	122,631,370	131,074,960	127,480,240	132,934,260
759 Income Tax Transit	38,594,860	38,086,670	36,336,330	37,759,790
APPROPRIATED RESTRICTED FUNDS	\$357,894,830	\$378,106,160	\$390,110,700	\$393,095,320
NON-APPROPRIATED RESTRICTED FUNDS	\$22,300,070	\$19,736,350	\$18,716,700	\$19,009,510
RESTRICTED FUNDS TOTAL	\$380,194,900	\$397,842,510	\$408,827,400	\$412,104,830
GRAND TOTAL	\$688,270,540	\$711,821,840	\$721,331,140	\$731,262,920

Note: Community Development Block Grant amounts included above are not included within the Operating Budget section of the All Funds Operating Budget Summary on page 40.

All Funds Operating Budget Summary

Agency/Account	2001 Approved	2002 Approved	2003 Recommended	Change 2002 to 2003	2004 Recommended	Change 2003 to 2004
City Council	\$1,307,160	\$1,418,310	\$1,425,000	0.5%	\$1,438,590	1.0%
Office of the Mayor	188,170	462,490	442,990	-4.2%	446,000	0.7%
Clerk of Council	758,720	1,281,770	810,690	-36.8%	1,045,470	29.0%
City Manager	11,716,800	8,957,220	1,786,470	-80.1%	1,839,250	3.0%
Buildings & Inspections	5,659,310	5,489,630	5,295,590	-3.5%	5,455,980	3.0%
Citizens' Complaint Authority	538,670	578,020	560,210	-3.1%	583,730	4.2%
City Planning	1,537,250	1,492,320		-100.0%		
Community Development		9,376,170	15,247,150	62.6%	15,474,160	1.5%
Economic Development	2,694,590					
Enterprise Services			9,530,380		9,643,030	1.2%
Finance	10,843,010	10,763,450	10,664,850	-0.9%	11,006,670	3.2%
Fire	52,719,750	53,638,640	54,987,660	2.5%	56,501,970	2.8%
General Services	16,840,130	15,357,510		-100.0%		
Health	34,443,470	34,744,500	35,801,470	3.0%	35,674,730	-0.4%
Human Resources	2,410,880	2,351,110	2,129,100	-9.4%	2,191,560	2.9%
Law	4,642,130	5,184,790	5,007,180	-3.4%	5,127,450	2.4%
Neighborhood Services	7,779,950					
Parks	7,755,350	7,746,650	7,914,000	2.2%	8,131,010	2.7%
Police	82,413,360	85,258,450	86,742,260	1.7%	89,118,610	2.7%
Public Services	35,229,780	34,627,830	35,231,440	1.7%	33,820,030	-4.0%
Recreation	24,050,780	24,491,200	24,917,360	1.7%	25,015,800	0.4%
Regional Computer Center	5,552,190	5,446,630	5,218,650	-4.2%	5,299,180	1.5%
Safety Director	633,800					
Sewers	78,674,220	82,977,580	82,243,960	-0.9%	85,114,770	3.5%
SORTA	37,694,920	37,301,700	35,535,250	-4.7%	36,957,890	4.0%
Transportation and Eng.	4,938,530	6,898,730	9,581,960	38.9%	10,033,630	4.7%
Water Works	49,289,480	50,523,220	54,292,170	7.5%	55,914,530	3.0%
TOTAL ALL DEPARTMENTS	\$480,312,400	\$486,367,920	\$485,365,790	-0.2%	\$495,834,040	2.2%
Cincinnati Public Schools	\$5,000,000	\$5,000,000	\$5,000,000	0.0%	\$5,000,000	0.0%
Cinti Human Relations Comm	444,480					
Citizens Committee on Youth	904,790					
Debt Service	121,185,900	133,672,220	140,922,490	5.4%	138,449,380	-1.8%
Employee Benefits & Pensions	69,836,390	66,636,180	74,500,530	11.8%	76,893,650	3.2%
General Fund Overhead	5,998,260	6,356,400	6,464,760	1.7%	6,464,760	0.0%
Non-Departmental Accounts	3,238,320	12,939,120	8,577,570	-33.7%	8,621,090	0.5%
Reserve for Contingencies	1,350,000	850,000	500,000	-41.2%		-100.0%
TOTAL NON-DEPARTMENTAL	\$207,958,140	\$225,453,920	\$235,965,350	4.7%	\$235,428,880	-0.2%
GRAND TOTAL	\$688,270,540	\$711,821,840	\$721,331,140	1.3%	\$731,262,920	1.4%

All Funds Capital Budget Summary

Department	2001 Appropriated	2002 Appropriated	2003 Recommended	Change 2002 to 2003	2004 Recommended	Change 2003 to 2004
Buildings & Inspections	\$57,000	\$133,000	\$58,000	-56.4%	\$83,000	43.1%
City Manager	455,000	330,000				
City Planning	90,000					
Community Development			25,749,045		28,948,145	12.4%
Economic Development	11,893,000	1,444,100				
Enterprise Services			7,214,800		17,579,100	143.7%
Finance	125,000	3,898,700	967,100	-75.2%	1,154,600	19.4%
Fire	299,500		1,035,000			
General Services	14,506,500	37,831,400				
Health	575,000	685,000	565,000	-17.5%	721,000	27.6%
Human Resources		375,000	375,000			
Neighborhood Services	6,104,280	27,307,376				
Parks	3,575,000	3,192,000	3,588,000	12.4%	3,398,500	-5.3%
Police	10,958,000	460,600	2,690,000	484.0%	916,000	-65.9%
Public Services	2,457,800	2,189,900	6,050,000	176.3%	12,100,000	100.0%
Recreation	3,777,000	3,750,000	12,810,000	241.6%	14,803,400	15.6%
Regional Computer Center			10,283,700		4,489,800	-56.3%
Sewers	60,798,400	70,883,100	65,602,800	-7.4%	67,937,700	3.6%
Transportation & Engineering	44,701,200	44,359,100	47,261,200	6.5%	37,903,400	-19.8%
Water Works	63,630,000	62,356,000	66,743,300	7.0%	64,292,500	-3.7%
TOTAL ALL DEPARTMENTS	\$224,002,680	\$259,195,276	\$250,992,945	-3.2%	\$254,327,145	1.3%
Income Tax Debt Service	5,549,000	12,341,620	4,417,885	-64.2%	8,570,000	94.0%
GRAND TOTAL	\$229,551,680	\$271,536,896	\$255,410,830	-5.9%	\$262,897,145	2.9%

Consolidated Plan Budget Summary

	2001 Budget	2002 Budget	2003 Recommended	Change 2001 to 2002	2004 Recommended	Change 2003 to 2004
Buildings & Inspections	\$741,000	\$727,500	\$808,280	11.1%	\$814,970	0.8%
City Manager	1,055,770	2,153,540	0	-100.0%	0	0.0%
Community Development	21,856,420	19,687,846	21,765,920	10.6%	20,404,260	-6.3%
Finance	0	0	24,900	100.0%	25,100	0.8%
Health	0	400,000	425,000	6.3%	225,000	-47.1%
Law	194,240	190,290	185,200	-2.7%	187,000	1.0%
Parks	0	175,000	175,000	0.0%	175,000	0.0%
Police	0	0	100,000	0.0%	100,000	0.0%
TOTAL DEPARTMENTS	\$23,847,430	\$23,334,176	\$23,484,300	0.6%	\$21,931,330	-6.6%
General Administration & Planning	\$3,039,630	\$2,981,370	\$3,483,180	16.8%	\$3,524,470	1.2%
Section 108 Debt Service	1,340,300	431,500	1,000,000	131.7%	957,200	-4.3%
GRAND TOTAL	\$28,227,360	\$26,747,046	\$27,967,480	4.6%	\$26,413,000	-5.6%

Staffing Plan

	General Fund				Other Funds				All Funds			
	2001	2002	2003	2004	2001	2002	2003	2004	2001	2002	2003	2004
City Council	28.0	27.0	27.0	27.0					28.0	27.0	27.0	27.0
Office of the Mayor	5.0	6.0	6.0	6.0					5.0	6.0	6.0	6.0
Clerk of Council	7.0	7.0	7.0	7.0					7.0	7.0	7.0	7.0
City Manager	42.1	38.0	15.0	15.0	15.8	16.4	4.0	4.0	57.9	54.4	19.0	19.0
Buildings & Inspections	111.1	107.1	101.1	101.1	0.9	0.9	0.9	0.9	112.0	108.0	102.0	102.0
Citizens' Complaint Auth.	10.0	10.0	9.7	9.7					10.0	10.0	9.7	9.7
City Planning	20.5	20.5			6.0	5.0			26.5	25.5		
Community Development		37.5	45.1	45.1		25.0	35.1	35.1		62.5	80.2	80.2
Economic Development	21.5								21.5			
Enterprise Services							237.2	237.2			237.2	237.2
Finance	141.0	135.0	135.0	135.0	54.2	55.0	51.0	51.0	195.2	190.0	186.0	186.0
Fire	842.5	842.0	848.8	853.6					842.5	842.0	848.8	853.6
General Services	50.0	36.0			277.5	266.9			327.5	302.9		
Health	378.6	370.2	357.4	347.4	166.0	170.2	187.1	187.1	544.6	540.4	544.5	534.5
Human Resources	34.2	34.2	31.2	31.2	3.0	3.0	6.0	6.0	37.2	37.2	37.2	37.2
Law	79.0	77.0	72.2	72.2	6.5	6.5	7.0	7.0	85.5	83.5	79.2	79.2
Neighborhood Services	20.5				26.0				46.5			
Parks	114.3	107.5	104.3	90.5	43.8	43.8	44.8	44.8	158.1	151.3	149.1	135.3
Police	1,337.4	1,332.4	1,377.2	1,397.0	2.0	2.0			1,339.4	1,334.4	1,377.2	1,397.0
Public Services	326.5	300.5	258.5	258.5	220.9	244.9	289.9	289.9	547.4	545.4	548.4	548.4
Recreation	370.4	363.8	347.2	347.2	93.1	102.5	106.5	106.5	463.5	466.3	453.7	453.7
Regional Computer Ctr.					202.8	203.8	201.0	201.0	202.8	203.8	201.0	201.0
Safety Director	6.5								6.5			
Sewers					753.0	752.0	724.0	724.0	753.0	752.0	724.0	724.0
Transportation and Eng.	93.0	92.0	86.0	86.0	71.0	83.5	111.0	111.0	164.0	175.5	197.0	197.0
Water Works					634.8	634.8	645.9	640.9	634.8	634.8	645.9	640.9
TOTAL	4,039.1	3,943.7	3,828.7	3,829.5	2,577.3	2,616.2	2,651.4	2,646.4	6,616.4	6,559.9	6,480.1	6,475.9
Police Sworn	1,000.0	1,000.0	1,045.0	1,060.0					1,000.0	1,000.0	1,045.0	1,060.0
Fire Sworn	787.0	787.0	787.0	787.0					787.0	787.0	787.0	787.0
Non-Sworn	2,252.1	2,156.7	1,996.7	1,982.5	2,577.3	2,616.2	2,651.4	2,646.4	4,829.4	4,772.9	4,648.1	4,628.9

